

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

DEPARTMENT OF LICENSING
AND REGULATORY AFFAIRS,
CORPORATIONS, SECURITIES &
COMMERCIAL LICENSING BUREAU,

Complaint No. 344399

Complainant,

v

HUTCHINS FUNERAL HOME
ROLAND T. HUTCHINS, OWNER
Prepaid Funeral and Cemetery Sales
Registration No. 34-01-000345

Respondent.

_____ /

FORMAL COMPLAINT

The Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (“Department”), Complainant, under the Michigan Prepaid Funeral and Cemetery Sales Act, MCL 328.211 *et seq.* (“Prepaid Act”), alleges as follows:

1. Hutchins Funeral Home, Roland T. Hutchins, Owner (Respondent), has, at all times relevant to this Formal Complaint (“Complaint”), been registered under the Prepaid Act.
2. From August 23, 2021, through August 26, 2021, Department personnel conducted an investigation of Respondent’s activities and an examination of its books, records, contracts, and other documents relating to prepaid contracts, under MCL 328.230(1).

3. Under section 12 of the Prepaid Act, MCL 328.222, Respondent had the following duties in connection with the funds received for prepaid funeral and cemetery services and merchandise:

- (a) to deposit the monies received with an authorized escrow agent, MCL 328.222(1); and
- (b) to deposit the monies received with an escrow agent within thirty (30) days of receipt, MCL 328.222(6).

4. As of July 31, 2021, Respondent failed to deposit at least \$62,975.72 received for prepaid funeral and cemetery goods or services related to fourteen prepaid contracts with an authorized escrow agent.

5. At the time of the Department's investigation, this \$62,975.72 represented 22.88% of the total amount that Respondent deposited with an authorized escrow agent from the sale of prepaid funeral and cemetery goods or services.

6. Additionally, the Department's investigation discovered one instance where Respondent failed to deposit \$2,729.00 received for prepaid funeral and cemetery goods or services related to one prepaid contract, but Respondent subsequently provided funeral goods and services pursuant to that prepaid contract for the benefit of the contract's beneficiary.

7. The 15 above referenced instances where Respondent failed to deposit funds received for prepaid funeral and cemetery goods or services occurred between July 1, 2019, and April 7, 2021.

8. At the beginning of the Department's investigation, Respondent's owner, Roland T. Hutchins, denied that Respondent had any instances where it failed to deposit

funds received for prepaid funeral and cemetery goods or services with an authorized escrow agent.

9. Upon the discovery of the above referenced instances, Roland T. Hutchins informed the Department's investigator that Respondent's failure to properly place funds received for prepaid funeral and cemetery goods or services with an authorized escrow agent was due to a "cash flow problem."

10. As of September 8, 2021, Respondent deposited prepaid contract funds in the amount of \$62,975.72 into an authorized escrow account.

11. In total, Respondent failed to deposit at least \$65,704.72 received for prepaid funeral and cemetery goods or services related to fifteen prepaid funeral contracts with an authorized escrow agent, in violation of MCL 328.222(1).

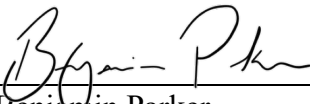
12. In total, Respondent failed to deposit at least \$65,704.72 received for prepaid funeral and cemetery goods or services related to fifteen prepaid funeral contracts with an authorized escrow agent within 30 days of receipt, in violation of MCL 328.222(6).

Based upon the above conduct, Respondent acted contrary to MCL 328.222(1) & (6), constituting grounds for the assessment of a penalty, as defined in MCL 328.230 and MCL 328.231. Complainant, the Department, is commencing proceedings under the Michigan Administrative Procedures Act of 1969, MCL 24.201 *et seq.* ("APA"), and the Prepaid Act to determine if disciplinary action should be taken for the reasons set forth above.

The Department reserves the right to refer this matter to the appropriate law enforcement agency at any time after service of this Complaint. A person who converts

funds paid pursuant to a prepaid contract to his or her own use or benefit other than as authorized by the Prepaid Act or who fails to escrow or trust funds according to the Prepaid Act is guilty of a felony punishable by a fine of \$5,000.00 or imprisonment of not more than 5 years, or both, for each violation. MCL 328.232(1). A person who violates any other provision of the Prepaid Act is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 or imprisonment for not more than 1 year, or both, for each violation. MCL 328.232(2).

MICHIGAN DEPARTMENT OF LICENSING
AND REGULATORY AFFAIRS

BY 
Benjamin Parker
Licensing Division Director
Corporations, Securities & Commercial
Licensing Bureau

Dated: October 25, 2021

Responsive Pleadings Should Be Filed by Mail, Email, or Fax, With:

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Regulatory Compliance Division
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